

REMARKS

Claims 1-10 and 13-16 have been examined. Claims 1 and 5 have been amended.
Reconsideration of the application, as amended, is respectfully requested.

Claim rejections – 35 USC 103

Claims 1, 2, 4-10, 13, 14 and 16 have been rejected under 35 USC 103 as being unpatentable over O'Flasherty in view of Infosino. This rejection is respectfully traversed in part and overcome in part.

As now amended, independent claim 1 recites a method for protecting consumer personal data. The method includes the step of receiving an application for a payment instrument, wherein the application comprises personal data and a privacy preference of a consumer. In another step, the application is saved in electronic form in a database that is associated with an issuing financial institution who issued the payment instrument. At least some of the personal data and the privacy preference are saved onto the payment instrument, wherein the payment instrument further includes consumer account information necessary to tie a debit or credit payment transaction to a consumer account associated with the issuing financial institution. Further, a purchase request is received at a credit or debit processing system that is associated with a merchant financial institution, wherein the purchase request includes at least some of the personal data and the privacy preference. Still further, the privacy preference is saved in a database associated with the merchant financial institution.

In contrast, the O'Flasherty patent fails to describe many important limitations that are found in claim 1. For example, claim 1 recites that the privacy preference is saved onto the payment instrument which includes consumer account information necessary to tie a debit or credit payment transaction to a consumer account associated with the issuing financial institution. This limitation is not found in O'Flasherty. Further, a purchase request is received at a credit or debit processing system that is associated with a merchant financial institution. This purchase request includes at least some of the personal data and the privacy preference. Likewise, this limitation is not found in the cited art. Still further, the privacy preference is

saved in a database that is associated with the merchant financial institution, and this limitation is not found in O'Flasherty.

While the office action recognizes that the O'Flasherty patent fails to describe a payment instrument having consumer account information necessary to tie a debit or credit payment transaction to a consumer account, the O'Flasherty patent also fails to described the other limitations set forth immediately above as well. Moreover, the Infosino patent also fails to describe these limitations. More specifically, the Infosino patent describes a universal card that may be used as a credit card. However, Infosino fails to describe a purchase request made at a merchant location that includes a privacy preference, and the storage of the privacy preference in a database that is associated with the merchant financial institution.

At this point, it is also important to note that the O'Flasherty patent teaches away from such a method. As set forth in paragraph 41 of the O'Flasherty patent, when making a purchase using the card of the O'Flasherty system, the transaction is first routed through a privacy service so that the purchaser can remain anonymous. In this way, the merchant database never gets personal information on the consumer, or a privacy preference. In contrast, with the method of claim 1, the privacy preference and customer information is routed through the merchant processing system so that the merchant will know the customer's privacy preference and will be able to respect it.

In the Advisory Action mailed September 9, 2004, the Examiner questioned why "saving the privacy preference at the merchant site is better to protect the consumer personal data," and "why the merchant's direct access to a customer's personal information or a privacy preference would improve the protection of summer personal data." As set forth in the application, one advantage of providing the privacy preference to the merchant and the merchant bank is that the existing credit card network processing system does not need to be significantly altered to provide the desired benefits, i.e. to prevent the merchant or the merchant bank from using privacy information obtained from the credit card without the card holder's permission as is now the case. (See page 2, paragraph 7). More specifically, the merchant and the merchant bank still get the cardholder's personal information, but they also get a privacy preference which may tell

the merchant that the merchant is not authorized to use the cardholder personal information for anything other than to process the current credit card transaction. In direct contrast, the O'Flasherty patent describes a complicated system where the privacy data is first routed through a privacy system to filter out the cardholder information. With claim 1 of the present invention, all cardholder data is still provided to the merchant and the merchant bank so that processing of the transaction may occur using traditional processing techniques, but the merchant and the merchant bank are also given a privacy preference that can inform them what they can and cannot do with the cardholder information. None of these features are taught or suggested in the cited art.

Hence, claim 1 which has been amended to clarify such features is distinguishable and in condition for allowance. Claims 2, 4-10 depend from claim 1 and are distinguishable for at least the same reasons.

The rejection of independent claim 13 is respectfully traversed. As pending, claim 13 includes, among other limitations, the step of reading the privacy preference and the consumer account information from the payment instrument when making a purchase at a merchant location, wherein the consumer account information is read to provide payment to a merchant. Also, the privacy preference is saved in a merchant database.

As previously mentioned, the O'Flasherty patent describes a privacy system that reads a privacy card in order to first route the transaction through a privacy system so that the merchant will never have access to personal information or a privacy preference. The Infosino patent describes a universal credit card and also has no mention of reading a privacy preference at a merchant location and saving the privacy preference in a merchant database. Hence, claim 13 is distinguishable without amendment. Claims 14 and 16 depend from claim 1 and are distinguishable for at least the same reasons.

Claims 3 and 15 have been rejected under 35 USC 103 as being unpatentable over O'Flasherty and Infosino in view of Pollin. Claim 3 depends from claim 1 and claim 15 depends from claim 13. As previously described, claims 1 and 13 are distinguishable over both

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Action mailed September 9, 2004

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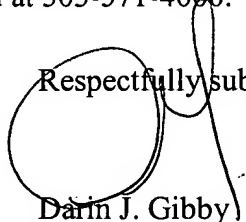
O'Flasherty and Infosino. Because the Pollin patent also fails to teach such limitations, claim 3 and 15 are distinguishable and in condition for allowance.

CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 303-571-4000.

Respectfully submitted,



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